

Mountain Sewer
Period: 1984 - 2011
Number of Mountain Sewer Connections

No. of Connections (To Exh 1.2)	Yr	Subdivision	Phase	Lot #	Owner	Tax ID #	Source
1	1982	Ski Lake Village	1	1	Antonevich, Victor & Elena Vorobyeva	200530001	E.T. & County
2	1982	Ski Lake Village	1	2	Allison & Son Investments LLC	200530002	E.T. & County
3	1982	Ski Lake Village	1	3	Rasmussen, Mark C. Trustee	200530003	E.T. & County
4	1982	Ski Lake Village	1	4	Leone, John C. & Anita L. Oliveri	200530004	E.T. & County
5	1982	Ski Lake Village	1	5	Bartos, Robert R. ETAL	200530005	E.T. & County
6	1982	Ski Lake Village	1	6	Lindsay, Carol N. & Don W. Lindsay	200530006	E.T. & County
7	1982	Ski Lake Village	1	7	Bartos, David L. & Brooke A.	200530007	E.T. & County
8	1982	Ski Lake Village	1	8	GLG Properties LLC	200530007	E.T. & County
9	1982	Ski Lake Village	1	9	Biccum, Frank M. & Deborah S.	200530009	E.T. & County
10	1982	Ski Lake Village	1	10	JNG Properties LLC	200530010	E.T. & County
11	1982	Ski Lake Village	1	11	Sneddon, Curtis W. & Stacy	200530011	E.T. & County
12	1982	Ski Lake Village	1	12	Sneddon, Curtis William	200530012	E.T. & County
12	1983						
12	1984						
12	1985						
12	1986						
12	1987						
12	1988						
12	1989						
12	1990						
12	1991						
13	1992	Ski Lake Estates	1	8	McGilton, Jeffrey H.	200560008	County
14	1992	NA	NA	NA	St. Florence Catholic Church	200360024	County
15	1993	Ski Lake Estates	1	6	Maxine Maloney Trust	200560006	County
16	1994	Ski Lake Estates	1	3	De Los Rios Carlos F. & Lilly T. De Los Rios Trustees	200560003	County
16	1995						
17	1996	Ski Lake Estates	1	9	Cumberland JR, Frank J. & Patricia G.	200560009	County
18	1996	Ski Lake Estates	2	11	Gundersen, Lowell B.	200600002	County
19	1996	Ski Lake Estates	2	10	Watson, Keith	200600001	County
20	1997	Ski Lake Estates	2	13	Hecht, Andrew Gordon, & Lisa Renae	200600004	County

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21	1998	Ski Lake Estates	1	1	Catanzaro, Ronald J.	200560001	County
22	1999	Ski Lake Estates	3	16	Hoefler, Michael & Linda	200630002	County
23	2000	Ski Lake Estates	1	2	Michael & Diane Suley Trust	200560002	County
24	2001	Ski Lake Estates	4	20	Christine Martindale	200680002	E.T. Customer List
25	2001	Summit	2	5	Fuller JR, Walter S.	200710001	County
26	2001	Lakeside	2	26	Matthew J. Burton & WF	200780005	County
27	2001	Lakeside	2	22	Peter H. Taylor & Tara D.	200780001	County
28	2001	Lakeside	2	24	Ray H. Allen & Pat M.	200780003	County
29	2001	Lakeside	2	23	Robert M. Granum II	200780002	County
30	2001	Lakeside	2	25	The W. Stewart Connard Trust=2/3 ETAL	200780004	County
31	2002	Summit	3	14	Alton, Efrain A. & Angela F.	200700008	County
32	2002	Lakeside	3	14	BE Ski Properties LLC	200790001	County
33	2002	Lakeside	4	28	Brent Greenwood & Mary	200800002	County
34	2002	Lakeside	3	16	Charles L. Wolff	200790003	County
35	2002	Lakeside	4	30	Christina Wolfenden Woods, Trustee	200800004	County
36	2002	Lakeside	3	19	David Olmsted & Barbara Crosbie	200790006	County
37	2002	Lakeside	4	31	Dietrich Rainer Kolb & Suzanne Brown	200800005	County
38	2002	Lakeside	3	17	DTA & Associates Inc.	200790004	County
39	2002	Lakeside	3	15	Gerald B. Riddle & Suzanne M.	200790002	County
40	2002	Lakeside	4	32	Jane M. Stevenson Living Trust	200800006	County
41	2002	Lakeside	3	18	Jo-An G. Lantz & Donald J. Lantz JR	200790005	County
42	2002	Lakeside	4	33	Marc Ledene & Gwendolyn	200800007	County
43	2002	Lakeside	3	20	Ralph L. Alock & Holly B. Whitaker	200790007	County
44	2002	Lakeside	4	27	Reed Sod Farm Utah LLC	200800001	County
45	2002	Lakeside	4	34	Robert E. Kimball & Linda M.	200800008	County
46	2002	Lakeside	3	21	Steven T. Anderson	200790008	County
47	2002	Lakeside	4	29	Stewart Reed & Carol	200800003	County
47	2003						
48	2004	Lakeside	5	35	Andrew Wolcheck & Rachel Torres	200860001	County
49	2004	Lakeside	9	62	Barton Fincher Holdings LLC	200940005	County

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50	2004	Lakeside	5	42	Brazell Family Trust	200860008	County
51	2004	Ski Lake Estates	1	5	Castleton, Lon D. & Constance L.	200560005	County
52	2004	Lakeside	7	51	Cesar Garcia & Madie	200900004	County
53	2004	Lakeside	5	37	Christensen Family Trust	200860003	County
54	2004	Lakeside	8	55	CKPV LLC	200910003	County
55	2004	Lakeside	9	59	Corey Ericksen & Liz	200940002	County
56	2004	Lakeside	5	38	David and Jane Hall Living Trust	200860004	County
57	2004	Lakeside	9	65	David V. Hayes & Traci D. Jacobs	200940008	County
58	2004	Lakeside	9	63	Eric Kjetil Eriksen & Julie Eileen Eriksen Co-Trustee	200940006	County
59	2004	Lakeside	5	41	FF Leasing LTD	200860007	County
60	2004	Lakeside	6	45	Gerald L. Keech & Margaret L. Trustees	200880003	County
61	2004	Lakeside	5	36	Holly Leggett	200860002	County
62	2004	Summit	4	18	Huntsville Faimly LLC	200720002	County
63	2004	Lakeside	6	44	Jared McDougal & Michelle	200880002	County
64	2004	Lakeside	7	48	Jeffrey Snow & Laurie	200900001	County
65	2004	Lakeside	9	60	Kamb Investments LLC	200940003	County
66	2004	Lakeside	6	43	Lakeside 43, LLC	200880001	County
67	2004	Lakeside	8	56	Marvin R. Allen	200910004	County
68	2004	Lakeside	5	40	Melissa A. Bischof	200860006	County
69	2004	Lakeside	8	54	Michael J. Griffin	200910002	County
70	2004	Lakeside	6	47	Michael P. Schmidt & Elizabeth T. Chen	200880005	County
71	2004	Lakeside	9	64	Richard J. Badenhausen & Katherine E. Venti	200940007	County
72	2004	Lakeside	7	50	Ross B. Matthews	200900003	County
73	2004	Lakeside	9	58	Shahab Saeed & Jan B.	200940001	County
74	2004	Lakeside	7	52	Silver King 2 LLC	200900005	County
75	2004	Summit	3	16R	SL 16 LLC	200700010	County
76	2004	Lakeside	5	39	Steven J. Schwab & Martha L. 1/2 ETAL	200860005	County
77	2004	Lakeside	8	53	Stuwart Reed & Carole	200910001	County
78	2004	Lakeside	8	57	Susan L. Kizoff	200910005	County
79	2004	Lakeside	7	49	Turtle Shell Properties LLC	200900002	County

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80	2004	Lakeside	6	46	Van C. Foster & Theresa M.	200880004	County
81	2004	Summit	3	13	Vegosen, Dean Trustee	200700007	County
82	2004	Lakeside	9	61	William F. Coffin JR & Jane C.	200940004	County
83	2005	Summit	4	22R	6739 East Via Cortina LLC	200720006	County
84	2005	Lakeside	10	68	68 Lakeside Village LLC	200970003	County
85	2005	Lakeside	10	66	Brian Heaton & Marvin R. Allen	200970001	County
86	2005	Lakeside	10	67	Charles L. Wolff	200970002	County
87	2005	Lakeside	11	75	Daniel P. Miranker & Valin	200990002	County
88	2005	Summit	7	31	Harris, Elroy J. & Julia Faye	200870005	County
89	2005	Lakeside	11	78	James C. Peppard JR ETAL	200990005	County
90	2005	Lakeside	10	72	Jill S. Calton	200970007	County
91	2005	Lakeside	10	71	KRG Invest LLC	200970006	County
92	2005	Lakeside	11	79	Marcin Sokalski & Joanna	200990006	County
93	2005	Lakeside	11	81	Paul W. Cardello ETAL	200990008	County
94	2005	Lakeside	11	80	Piotr Holubowski & Ana	200990007	County
95	2005	Lakeside	11	74	Read Ochsenein & Kathleen	200990001	County
96	2005	Summit	7	27	Ricks Creek LTD	200870001	County
97	2005	Lakeside	10	70	Steven A. Preston	200970005	County
98	2005	Lakeside	10	69	Steven H. Stepanek & Teresa M.	200970004	County
99	2005	Lakeside	10	73	Sue A. Lowry & Kevin B. Powell	200970008	County
100	2005	Lakeside	11	77	William Clopp & Patricia	200990004	County
101	2005	Summit	3	9	Zini, Sharon Ann & Lawrence John	200700003	County
102	2006	Lakeside	12	84	Cesar Garcia & Madie	201070003	County
103	2006	Summit	4	20R	David R. & Marsha Smith Family Trust	200720004	County
104	2006	Lakeside	11	76	G & C Investment Properties LLC	200990003	County
105	2006	Lakeside	12	85	Harry J. Zinser & Judy A.	201070004	County
106	2006	Summit	7	29	Hauda II, William E. & Karen M.	200870003	County
107	2006	Lakeside	12	86	Kenneth E. Gluck	201070005	County
108	2006	Lakeside	12	83	Penni J. Larose & Randy Kent	201070002	County
109	2006	Lakeside	12	82	Richard Belmont Powell JR ETAL	201070001	County

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110	2007	Chalet	1	1	Powell, Richard Belmont & Anna Wilson	200930001	County
111	2007	Chalet	2	11	Abiezzi, Salim S. & Laurie A.	200980010	County
112	2007	Chalet	3	12	Etringer, Michael & Julie A.	201000001	County
113	2007	Chalet	3	13	Hauser, Allen R. & Antoniette T.	201000002	County
114	2007	Summit	8	32	Holden, Joshua Matthew & Sun Hee	200920001	County
115	2007	Chalet	2	9	JL Beck LLC	200980008	County
116	2007	Chalet	2	10	Larsen, Jeffrey W. & Kristin W.	200980009	County Building Dept.
117	2007	Chalet	4	14	Mallios, Konstantinos & Kristi	201150001	County
118	2007	Chalet	2	6	Rocque, Richard R & Thuy	200980005	County
119	2007	Summit	1	2	White, Jeff & Julia	200680002	County
120	2008	Summit	8	34R	Gull, Jason S.	200920003	County
121	2009	Edgewater	1	101	Celtic Bank Corporation	201340001	County
122	2009	Edgewater	1	102	Celtic Bank Corporation	201340002	County
123	2009	Edgewater	1	104	David Lee Towers	201340004	County
124	2009	Edgewater	1	103	James T. Roberts & Katherine B. Roberts	201340003	County
125	2009	Summit	10	40	Nicoll, Deborah R. (Celtic Bank)	201010002	County
126	2010	Summit	5	26	Roberts, Chad B.	200840002	County
127	2011	Summit	1	3	Howell, Craig L. Trustee (Halverson, Pamela)	200680003	County Building Dept.
128	2011	Ski Lake Estates	1	7	Nickl, Karen L. & Mario	200560007	County Building Dept.
129	2011	Chalet	2	8	Slate Chad & Christina	200980007	County Building Dept.

Legend:

 Lots traced to the applicable development plan and then to the specific property.

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Source: "Ownership and Current References" from Weber County's Property Information Systems.

Prepared by: Mountain Sewer.

Objective: To determine the number of connections serviced by Mountain Sewer.

Methodology: Mountain Sewer provided documentation showing the first year that Weber County Assessor's Office levied taxes and/or were issued a building permit, on each property in Mountain Sewer's service area. Because of the time and additional expenses required to determine the precise month the connected property would have been obligated to pay its first connection fee, it is assumed that the connection fee was due for the entire year. This is also a more conservative approach, erring in favor of the maximum number of customers and the maximum number of months in which a connection fee could be collected.

Verification: The auditor performed a sampling of the lot data to verify that the connected lots are accounted for. To verify the specific property the auditor matched one or more of the following references: Parcel# Township/Range/Section, Lot number, address, owner's name and year built.

Conclusion: The Division believes that the number of connections are accurately accounted for.

Mountain Sewer
Period: 1984 - 2011
Projected Revenues and Estimated
Expenses

Income:	1984	1985	1986	1987	1988	1989
Connects (<i>From Exh 1.1</i>)	12	12	12	12	12	12
Number of Payments	144	144	144	144	144	144
Income Per Connect	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Total Income:	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00
CPI	3.9%	3.8%	1.1%	4.4%	4.4%	4.6%
Expenses:						
Bank Service Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Clerical/Administration	\$ 4,388.56	\$ 4,455.39	\$ 4,523.24	\$ 4,592.12	\$ 4,662.05	\$ 4,733.05
Engineering Fees	\$ 797.92	\$ 810.07	\$ 822.41	\$ 834.93	\$ 847.65	\$ 860.55
Insurance Expense	\$ 6,968.99	\$ 7,075.12	\$ 7,182.86	\$ 7,292.24	\$ 7,403.29	\$ 7,516.03
State Compliance / Jim Banks	\$ 5,397.65	\$ 5,479.85	\$ 5,563.30	\$ 5,648.02	\$ 5,734.03	\$ 5,821.35
Maintenance/Mitch Winegar	\$ 8,861.15	\$ 8,996.09	\$ 9,133.08	\$ 9,272.17	\$ 9,413.37	\$ 9,556.72
Office Supplies	\$ 398.96	\$ 405.04	\$ 411.20	\$ 417.47	\$ 423.82	\$ 430.28
Professional Fees - Standard	\$ 1,994.80	\$ 2,025.18	\$ 2,056.02	\$ 2,087.33	\$ 2,119.12	\$ 2,151.39
Real Property Taxes	\$ 2,792.72	\$ 2,835.25	\$ 2,878.43	\$ 2,922.26	\$ 2,966.76	\$ 3,011.94
Power	\$ 3,590.64	\$ 3,645.32	\$ 3,700.83	\$ 3,757.19	\$ 3,814.41	\$ 3,872.49
Telephone Expense	\$ 638.34	\$ 648.06	\$ 657.93	\$ 667.95	\$ 678.12	\$ 688.44
Postage	\$ 598.44	\$ 607.55	\$ 616.81	\$ 626.20	\$ 635.73	\$ 645.42
Total Expenses	\$ 36,428.17	\$ 36,982.91	\$ 37,546.10	\$ 38,117.87	\$ 38,698.34	\$ 39,287.66
Net Income or (Loss)	\$ (33,260.17)	\$ (33,814.91)	\$ (34,378.10)	\$ (34,949.87)	\$ (35,530.34)	\$ (36,119.66)
Accumulated Net Income or (Loss)	\$ (33,260.17)	\$ (67,075.07)	\$ (101,453.18)	\$ (136,403.04)	\$ (171,933.39)	\$ (208,053.05)

Mountain Sewer
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Projected Revenues and Estimated
Expenses

Income:	1990	1991	1992	1993	1994
Connects (<i>From Exh 1.1</i>)	12	12	14	15	16
Number of Payments	144	144	168	180	192
Income Per Connect	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Total Income:	\$ 3,168.00	\$ 3,168.00	\$ 3,696.00	\$ 3,960.00	\$ 4,224.00
CPI	6.1%	3.1%	2.9%	2.7%	2.7%
Expenses:					
Bank Service Charge	\$ -	\$ -	\$ -	\$ -	\$ -
Clerical/Administration	\$ 4,805.13	\$ 4,878.30	\$ 4,952.59	\$ 5,028.01	\$ 5,104.58
Engineering Fees	\$ 873.66	\$ 886.96	\$ 900.47	\$ 914.18	\$ 928.11
Insurance Expense	\$ 7,630.49	\$ 7,746.69	\$ 7,864.66	\$ 7,984.43	\$ 8,106.02
State Compliance / Jim Banks	\$ 5,910.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
Maintenance/Mitch Winegar	\$ 9,702.25	\$ 9,850.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Office Supplies	\$ 436.83	\$ 443.48	\$ 450.24	\$ 457.09	\$ 464.05
Professional Fees - Standard	\$ 2,184.15	\$ 2,217.41	\$ 2,251.18	\$ 2,285.46	\$ 2,320.26
Real Property Taxes	\$ 3,057.81	\$ 3,104.37	\$ 3,151.65	\$ 3,199.64	\$ 3,248.37
Power	\$ 3,931.47	\$ 3,991.34	\$ 4,052.12	\$ 4,113.83	\$ 4,176.47
Telephone Expense	\$ 698.93	\$ 709.57	\$ 720.38	\$ 731.35	\$ 742.48
Postage	\$ 655.24	\$ 665.22	\$ 675.35	\$ 685.64	\$ 696.08
Total Expenses	\$ 39,885.95	\$ 40,493.35	\$ 41,018.63	\$ 41,399.62	\$ 41,786.42
Net Income or (Loss)	\$ (36,717.95)	\$ (37,325.35)	\$ (37,322.63)	\$ (37,439.62)	\$ (37,562.42)
Accumulated Net Income or (Loss)	\$ (244,771.00)	\$ (282,096.34)	\$ (319,418.97)	\$ (356,858.59)	\$ (394,421.01)

Mountain Sewer
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Projected Revenues and Estimated
Expenses

Income:	1995	1996	1997	1998	1999
Connects <i>(From Exh 1.1)</i>	16	19	20	21	22
Number of Payments	192	228	240	252	264
Income Per Connect	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Total Income:	\$ 4,224.00	\$ 5,016.00	\$ 5,280.00	\$ 5,544.00	\$ 5,808.00
CPI	2.5%	3.3%	1.7%	1.6%	2.7%
Expenses:					
Bank Service Charge	\$ -	\$ -	\$ -	\$ -	\$ -
Clerical/Administration	\$ 5,182.31	\$ 5,261.23	\$ 5,341.35	\$ 5,422.69	\$ 5,505.27
Engineering Fees	\$ 942.24	\$ 956.59	\$ 971.15	\$ 985.94	\$ 1,000.96
Insurance Expense	\$ 8,229.46	\$ 8,354.78	\$ 8,482.01	\$ 8,611.18	\$ 8,742.31
State Compliance / Jim Banks	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
Maintenance/Mitch Winegar	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Office Supplies	\$ 471.12	\$ 478.29	\$ 485.58	\$ 492.97	\$ 500.48
Professional Fees - Standard	\$ 2,355.60	\$ 2,391.47	\$ 2,427.89	\$ 2,464.86	\$ 2,502.40
Real Property Taxes	\$ 3,297.84	\$ 3,348.06	\$ 3,399.04	\$ 3,450.80	\$ 3,503.35
Power	\$ 4,240.07	\$ 4,304.64	\$ 4,370.20	\$ 4,436.75	\$ 4,504.31
Telephone Expense	\$ 753.79	\$ 765.27	\$ 776.92	\$ 788.76	\$ 800.77
Postage	\$ 706.68	\$ 717.44	\$ 728.37	\$ 739.46	\$ 750.72
Total Expenses	\$ 42,179.10	\$ 42,577.77	\$ 42,982.51	\$ 43,393.41	\$ 43,810.57
Net Income or (Loss)	\$ (37,955.10)	\$ (37,561.77)	\$ (37,702.51)	\$ (37,849.41)	\$ (38,002.57)
Accumulated Net Income or (Loss)	\$ (432,376.12)	\$ (469,937.89)	\$ (507,640.40)	\$ (545,489.81)	\$ (583,492.38)

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Projected Revenues and Estimated
Expenses

Income:	2000	2001	2002	2003	2004
Connects (<i>From Exh 1.1</i>)	23	30	47	47	82
Number of Payments	276	360	564	564	984
Income Per Connect	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Total Income:	\$ 6,072.00	\$ 7,920.00	\$ 12,408.00	\$ 12,408.00	\$ 21,648.00
CPI	3.4%	1.6%	2.4%	1.9%	3.3%
Expenses:					
Bank Service Charge	\$ -	\$ -	\$ -	\$ -	\$ -
Clerical/Administration	\$ 5,589.11	\$ 5,674.22	\$ 5,760.63	\$ 5,848.36	\$ 5,937.42
Engineering Fees	\$ 1,016.20	\$ 1,031.68	\$ 1,047.39	\$ 1,063.34	\$ 1,079.53
Insurance Expense	\$ 8,875.44	\$ 9,010.60	\$ 9,147.82	\$ 9,287.13	\$ 9,428.56
State Compliance / Jim Banks	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
Maintenance/Mitch Winegar	\$ 10,000.00	\$ 10,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00
Office Supplies	\$ 508.10	\$ 515.84	\$ 523.69	\$ 531.67	\$ 539.77
Professional Fees - Standard	\$ 2,540.50	\$ 2,579.19	\$ 2,618.47	\$ 2,658.34	\$ 2,698.83
Real Property Taxes	\$ 3,556.70	\$ 3,610.87	\$ 3,665.86	\$ 3,721.68	\$ 3,778.36
Power	\$ 4,572.91	\$ 4,642.54	\$ 4,713.24	\$ 4,785.02	\$ 4,857.89
Telephone Expense	\$ 812.96	\$ 825.34	\$ 837.91	\$ 850.67	\$ 863.62
Postage	\$ 762.15	\$ 773.76	\$ 785.54	\$ 797.50	\$ 809.65
Total Expenses	\$ 44,234.08	\$ 44,664.04	\$ 80,100.55	\$ 80,543.70	\$ 80,993.61
Net Income or (Loss)	\$ (38,162.08)	\$ (36,744.04)	\$ (67,692.55)	\$ (68,135.70)	\$ (59,345.61)
Accumulated Net Income or (Loss)	\$ (621,654.46)	\$ (658,398.50)	\$ (726,091.04)	\$ (794,226.75)	\$ (853,572.36)

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Projected Revenues and Estimated
Expenses

Income:	2005	2006	2007	2008	2009
Connects <i>(From Exh 1.1)</i>	101	109	119	120	125
Number of Payments	1212	1308	1428	1440	1500
Income Per Connect	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Total Income:	\$ 26,664.00	\$ 28,776.00	\$ 31,416.00	\$ 31,680.00	\$ 33,000.00
CPI	3.4%	2.5%	4.1%	0.1%	2.7%
Expenses:					
Bank Service Charge	\$ -	\$ -	\$ -	\$ -	\$ -
Clerical/Administration	\$ 6,027.83	\$ 6,119.63	\$ 6,212.82	\$ 6,307.43	\$ 6,403.49
Engineering Fees	\$ 1,095.97	\$ 1,112.66	\$ 1,129.60	\$ 1,146.81	\$ 1,164.27
Insurance Expense	\$ 9,572.14	\$ 9,717.91	\$ 9,865.89	\$ 10,016.14	\$ 10,168.67
State Compliance / Jim Banks	\$ 6,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Maintenance/Mitch Winegar	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00
Office Supplies	\$ 547.98	\$ 556.33	\$ 564.80	\$ 573.40	\$ 582.14
Professional Fees - Standard	\$ 2,739.92	\$ 2,781.65	\$ 2,824.01	\$ 2,867.01	\$ 2,910.68
Real Property Taxes	\$ 3,835.89	\$ 3,894.31	\$ 3,953.61	\$ 4,013.82	\$ 4,074.95
Power	\$ 4,931.86	\$ 5,006.97	\$ 5,083.22	\$ 5,160.63	\$ 5,239.22
Telephone Expense	\$ 876.78	\$ 890.13	\$ 903.68	\$ 917.44	\$ 931.42
Postage	\$ 821.98	\$ 834.49	\$ 847.20	\$ 860.10	\$ 873.20
Total Expenses	\$ 81,450.36	\$ 85,914.08	\$ 86,384.85	\$ 86,862.79	\$ 87,348.01
Net Income or (Loss)	\$ (54,786.36)	\$ (57,138.08)	\$ (54,968.85)	\$ (55,182.79)	\$ (54,348.01)
Accumulated Net Income or (Loss)	\$ (908,358.72)	\$ (965,496.80)	\$ (1,020,465.64)	\$ (1,075,648.43)	\$ (1,129,996.44)

Mountain Sewer
Period: 1984 - 2011
Projected Revenues and Estimated
Expenses

Income:	2010	2011
Connects <i>(From Exh 1.1)</i>	126	129
Number of Payments	1512	1548
Income Per Connect	\$ 22.00	\$ 22.00
Total Income:	\$ 33,264.00	\$ 34,056.00
CPI	1.5%	3.0%
Expenses:		
Bank Service Charge	\$ -	\$ 200.00
Clerical/Administration	\$ 6,501.00	\$ 6,600.00
Engineering Fees	\$ 1,182.00	\$ 1,200.00
Insurance Expense	\$ 10,323.52	\$ 10,480.73
State Compliance / Jim Banks	\$ 5,000.00	\$ 2,000.00
Maintenance/Mitch Winegar	\$ 45,000.00	\$ 45,000.00
Office Supplies	\$ 591.00	\$ 600.00
Professional Fees - Standard	\$ 2,955.00	\$ 3,000.00
Real Property Taxes	\$ 4,137.00	\$ 4,200.00
Power	\$ 5,319.00	\$ 5,400.00
Telephone Expense	\$ 945.60	\$ 960.00
Postage	\$ 886.50	\$ 900.00
Total Expenses	\$ 82,840.62	\$ 80,540.73
Net Income or (Loss)	\$ (49,576.62)	\$ (46,484.73)

Accumulated Net Income or (Loss) \$ (1,179,573.06) \$ (1,226,057.79)

Source: Estimated Revenues and Expenses.

Prepared by: Mountain Sewer.

Objective: To compare estimated revenues to estimated expenses in the absence of Mountain Sewer's books and records.

Methodology: Mountain Sewer obtained affidavits from contractors to establish service/repair amounts paid by Mountain Sewer. Mountain Sewer also listed current and known expense amounts and projected backward using the CPI as the multiplier to obtain earlier amounts.

Conclusion: Based on Mountain Sewer's estimated revenues and expenses there appears to be an accumulative net loss of over \$1.2 million.

Mountain Sewer
Period: 1984 - 2011
Summary of Expenses from Mountain Sewer's Annual Reports (2000 - 2010)

	1999	2000	2001	2002	2003	2004	2005	2006	2007
Operating Expenses									
Power/Utilities	\$6,151.00	\$5,743.00	\$9,959.00	\$9,701.00	\$6,551.00	\$6,700.00	\$6,966.00	\$5,636.00	\$3,557.00
Legal Fees	1,940.00	0.00	920.00	660.00	11,168.00	15,350.00			
Accounting Fees	6,336.00	735.00							
Engineering Fees	84,498.00	16,614.00					12,452.00		
Contractual Services							5,915.00	4,225.00	
Billing						647.00	651.00	716.00	1,280.00
Management Fees									
Professional						49,193.00	26,021.00	1,550.00	
Testing					2,000.00	2,325.00	2,713.00	175.00	
Transportation						155.00	450.00	515.00	
Insurance	1,859.00	2,241.00	3,043.00	2,910.00	6,354.00	6,834.00	6,512.00	1,000.00	1,000.00
Office	0.00	544.00	77.00	125.00	20.00	647.00	956.00	887.00	
Phone			177.00	274.00	0.00				
Repair and Maintenance	8,713.00	2,783.00	5,242.00	5,142.00	4,720.00	14,736.00	9,056.00	8,005.00	56,769.00
Lic and permits	64.00	286.00							126.00
Bank Service Charge	22.00	58.00	215.00	318.00					
Assessments			70.00	75.00					
Promotion						2,733.00	3,215.00	3,577.00	
Supplies						2,551.00	5,848.00	2,725.00	
Dues and Subscriptions						2,314.00	2,435.00	231.00	
Rent Expense									
Other Miscellaneous Expense									
Total Operating Expenses	\$109,583.00	\$29,004.00	\$19,703.00	\$19,205.00	\$30,813.00	\$104,185.00	\$83,190.00	\$29,242.00	\$62,732.00

Legend:

- Amount listed as prior year amount and used here when the year in question was not available.
- Expense categories brought forward to Exhibit 1.4.
- These amounts were not brought forward to Exhibit 1.4 with the other amounts in this expense category because they appear to be inaccurate and not representative of the category.

Source: 2000 through 2010 Mountain Sewer Annual Reports

Prepared by: DPU

Objective: To summarize the expenses claimed on Mountain Sewer's Annual Reports so the expenses may be used to verify or further refine the expenses for Mountain Sewer in Exhibit 1.4.

Methodology: The Division listed all expenses found on all available Mountain Sewer Annual Reports.

Conclusion: This schedule is an accurate summarization of expenses as reported on Mountain Sewer's Annual Reports.

Mountain Sewer
Period: 1984 - 2011
Summary of Expenses from Moun

	2008	2009	2010	2011
Operating Expenses				
Power/Utilities	\$5,708.00	\$760.00	\$2,573.00	
Legal Fees				
Accounting Fees				
Engineering Fees				
Contractual Services				
Billing	1,139.00		2,225.00	
Management Fees			7,323.00	
Professional				
Testing		1,670.00		
Transportation		225.00		
Insurance	5,357.00		2,663.00	
Office				
Phone				
Repair and Maintenance	31,379.00	7,126.00		
Lic and permits	139.00	178.00		
Bank Service Charge	336.00	998.00		
Assessments				
Promotion		250.00		
Supplies				
Dues and Subscriptions				
Rent Expense		1,400.00		
Other Miscellaneous Expense	23,007.00	680.00	45,235.00	
Total Operating Expenses	\$67,065.00	\$13,287.00	\$60,019.00	\$0.00

Mountain Sewer
Period: 1984 - 2011
Applicable Estimated Expense Adjustments of Mountain Sewer

Income:	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Connects	12	12	12	12	12	12	12	12	13	15
Number of Payments (Connects X 12 Months)	144	144	144	144	144	144	144	144	168	180
Sewer Rate	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Total Possible Income:	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,696.00	\$ 3,960.00
CPI	3.9%	3.8%	1.1%	4.4%	4.4%	4.6%	6.1%	3.1%	2.9%	2.7%
Expenses:										
Bank Service Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank Service Charge										
Clerical/Administration	\$ 4,388.56	\$ 4,455.39	\$ 4,523.24	\$ 4,592.12	\$ 4,662.05	\$ 4,733.05	\$ 4,805.13	\$ 4,878.30	\$ 4,952.59	\$ 5,028.01
Clerical/Administration	\$ 2,972.09	\$ 3,092.71	\$ 3,214.87	\$ 3,250.63	\$ 3,400.24	\$ 3,556.74	\$ 3,728.23	\$ 3,970.43	\$ 4,097.45	\$ 4,219.83
Engineering Fees	\$ 797.92	\$ 810.07	\$ 822.41	\$ 834.93	\$ 847.65	\$ 860.55	\$ 873.66	\$ 886.96	\$ 900.47	\$ 914.18
Engineering Fees	\$ 594.54	\$ 618.67	\$ 643.11	\$ 650.26	\$ 680.19	\$ 711.50	\$ 745.80	\$ 794.25	\$ 819.66	\$ 844.14
Insurance Expense	\$ 6,968.99	\$ 7,075.12	\$ 7,182.86	\$ 7,292.24	\$ 7,403.29	\$ 7,516.03	\$ 7,630.49	\$ 7,746.69	\$ 7,864.66	\$ 7,984.43
Insurance from ann reports	\$ 1,130.45	\$ 1,176.33	\$ 1,222.80	\$ 1,236.40	\$ 1,293.30	\$ 1,352.83	\$ 1,418.06	\$ 1,510.18	\$ 1,558.49	\$ 1,605.04
State Compliance / Jim Banks	\$ 5,397.65	\$ 5,479.85	\$ 5,563.30	\$ 5,648.02	\$ 5,734.03	\$ 5,821.35	\$ 5,910.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
Maintenance/Mitch Winegar	\$ 8,861.15	\$ 8,996.09	\$ 9,133.08	\$ 9,272.17	\$ 9,413.37	\$ 9,556.72	\$ 9,702.25	\$ 9,850.00	\$ 10,000.00	\$ 10,000.00
Office Supplies	\$ 398.96	\$ 405.04	\$ 411.20	\$ 417.47	\$ 423.82	\$ 430.28	\$ 436.83	\$ 443.48	\$ 450.24	\$ 457.09
Office Supplies	\$ 321.87	\$ 334.94	\$ 348.17	\$ 352.04	\$ 368.24	\$ 385.19	\$ 403.76	\$ 429.99	\$ 443.75	\$ 457.00
Professional Fees - Standard	\$ 1,994.80	\$ 2,025.18	\$ 2,056.02	\$ 2,087.33	\$ 2,119.12	\$ 2,151.39	\$ 2,184.15	\$ 2,217.41	\$ 2,251.18	\$ 2,285.46
Professional Fees - Standard	\$ 1,350.95	\$ 1,405.78	\$ 1,461.31	\$ 1,477.56	\$ 1,545.56	\$ 1,616.70	\$ 1,694.65	\$ 1,804.74	\$ 1,862.48	\$ 1,918.10
Real Property Taxes	\$ 2,792.72	\$ 2,835.25	\$ 2,878.43	\$ 2,922.26	\$ 2,966.76	\$ 3,011.94	\$ 3,057.81	\$ 3,104.37	\$ 3,151.65	\$ 3,199.64
Real Property Taxes	\$ 1,891.33	\$ 1,968.09	\$ 2,045.83	\$ 2,068.58	\$ 2,163.79	\$ 2,263.38	\$ 2,372.51	\$ 2,526.64	\$ 2,607.47	\$ 2,685.34
Power	\$ 3,590.64	\$ 3,645.32	\$ 3,700.83	\$ 3,757.19	\$ 3,814.41	\$ 3,872.49	\$ 3,931.47	\$ 3,991.34	\$ 4,052.12	\$ 4,113.83
Power from ann reports	\$ 3,740.40	\$ 3,892.20	\$ 4,045.95	\$ 4,090.95	\$ 4,279.23	\$ 4,476.19	\$ 4,692.02	\$ 4,996.82	\$ 5,156.68	\$ 5,310.69
Telephone Expense	\$ 638.34	\$ 648.06	\$ 657.93	\$ 667.95	\$ 678.12	\$ 688.44	\$ 698.93	\$ 709.57	\$ 720.38	\$ 731.35
Telephone	\$ 101.17	\$ 105.27	\$ 109.43	\$ 110.65	\$ 115.74	\$ 121.07	\$ 126.90	\$ 135.15	\$ 139.47	\$ 143.64
Postage	\$ 598.44	\$ 607.55	\$ 616.81	\$ 626.20	\$ 635.73	\$ 645.42	\$ 655.24	\$ 665.22	\$ 675.35	\$ 685.64
Postage	\$ 405.29	\$ 421.73	\$ 438.39	\$ 443.27	\$ 463.67	\$ 485.01	\$ 508.40	\$ 541.42	\$ 558.74	\$ 575.43
Legal Fees										
Billing										
Repair and Maintenance										
License and Permits										
Promotion										
Supplies										
Dues and Subscriptions										
Accounting Fees										
Testing										
Transportation										


Mountain Sewer
Period: 1984 - 2011
Applicable Estimated Expense Ad


Income:	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Connects	16	16	19	20	21	22	23	30	47	47
Number of Payments (Connects X 12 Months)	192	192	228	240	252	264	276	360	564	564
Sewer Rate	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Total Possible Income:	\$ 4,224.00	\$ 4,224.00	\$ 5,016.00	\$ 5,280.00	\$ 5,544.00	\$ 5,808.00	\$ 6,072.00	\$ 7,920.00	\$ 12,408.00	\$ 12,408.00
CPI	2.7%	2.5%	3.3%	1.7%	1.6%	2.7%	3.4%	1.6%	2.4%	1.9%
Expenses:										
Bank Service Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank Service Charge						\$ 22.00	\$ 58.00	\$ 215.00	\$ 318.00	
Clerical/Administration	\$ 5,104.58	\$ 5,182.31	\$ 5,261.23	\$ 5,341.35	\$ 5,422.69	\$ 5,505.27	\$ 5,589.11	\$ 5,674.22	\$ 5,760.63	\$ 5,848.36
Clerical/Administration	\$ 4,336.92	\$ 4,457.27	\$ 4,571.56	\$ 4,727.57	\$ 4,809.33	\$ 4,887.53	\$ 5,023.15	\$ 5,199.95	\$ 5,284.50	\$ 5,414.45
Engineering Fees	\$ 928.11	\$ 942.24	\$ 956.59	\$ 971.15	\$ 985.94	\$ 1,000.96	\$ 1,016.20	\$ 1,031.68	\$ 1,047.39	\$ 1,063.34
Engineering Fees	\$ 867.57	\$ 891.64	\$ 914.50	\$ 945.71	\$ 962.07	\$ 84,498.00	\$ 16,614.00	\$ 977.71	\$ 993.61	\$ 1,018.04
Insurance Expense	\$ 8,106.02	\$ 8,229.46	\$ 8,354.78	\$ 8,482.01	\$ 8,611.18	\$ 8,742.31	\$ 8,875.44	\$ 9,010.60	\$ 9,147.82	\$ 9,287.13
Insurance from ann reports	\$ 1,649.57	\$ 1,695.35	\$ 1,738.82	\$ 1,798.16	\$ 1,829.26	\$ 1,859.00	\$ 2,241.00	\$ 3,043.00	\$ 2,910.00	\$ 6,354.00
State Compliance / Jim Banks	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
Maintenance/Mitch Winegar	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 45,000.00	\$ 45,000.00
Office Supplies	\$ 464.05	\$ 471.12	\$ 478.29	\$ 485.58	\$ 492.97	\$ 500.48	\$ 508.10	\$ 515.84	\$ 523.69	\$ 531.67
Office Supplies	\$ 469.68	\$ 482.72	\$ 495.09	\$ 511.99	\$ 520.84	\$ 529.31	\$ 544.00	\$ 77.00	\$ 125.00	\$ 20.00
Professional Fees - Standard	\$ 2,320.26	\$ 2,355.60	\$ 2,391.47	\$ 2,427.89	\$ 2,464.86	\$ 2,502.40	\$ 2,540.50	\$ 2,579.19	\$ 2,618.47	\$ 2,658.34
Professional Fees - Standard	\$ 1,971.33	\$ 2,026.03	\$ 2,077.98	\$ 2,148.89	\$ 2,186.06	\$ 2,221.60	\$ 2,283.25	\$ 2,363.61	\$ 2,402.05	\$ 2,461.11
Real Property Taxes	\$ 3,248.37	\$ 3,297.84	\$ 3,348.06	\$ 3,399.04	\$ 3,450.80	\$ 3,503.35	\$ 3,556.70	\$ 3,610.87	\$ 3,665.86	\$ 3,721.68
Real Property Taxes	\$ 2,759.86	\$ 2,836.44	\$ 2,909.17	\$ 3,008.45	\$ 3,060.48	\$ 3,110.24	\$ 3,196.55	\$ 3,309.06	\$ 3,362.87	\$ 3,445.56
Power	\$ 4,176.47	\$ 4,240.07	\$ 4,304.64	\$ 4,370.20	\$ 4,436.75	\$ 4,504.31	\$ 4,572.91	\$ 4,642.54	\$ 4,713.24	\$ 4,785.02
Power from ann reports	\$ 5,458.06	\$ 5,609.52	\$ 5,753.35	\$ 5,949.69	\$ 6,052.58	\$ 6,151.00	\$ 5,743.00	\$ 9,949.00	\$ 9,701.00	\$ 6,551.00
Telephone Expense	\$ 742.48	\$ 753.79	\$ 765.27	\$ 776.92	\$ 788.76	\$ 800.77	\$ 812.96	\$ 825.34	\$ 837.91	\$ 850.67
Telephone	\$ 147.62	\$ 151.72	\$ 155.61	\$ 160.92	\$ 163.70	\$ 166.37	\$ 170.98	\$ 177.00	\$ 274.00	\$ 787.56
Postage	\$ 696.08	\$ 706.68	\$ 717.44	\$ 728.37	\$ 739.46	\$ 750.72	\$ 762.15	\$ 773.76	\$ 785.54	\$ 797.50
Postage	\$ 591.40	\$ 607.81	\$ 623.39	\$ 644.67	\$ 655.82	\$ 666.48	\$ 684.98	\$ 709.08	\$ 720.61	\$ 738.33
Legal Fees						\$ 1,940.00	\$ -	\$ 920.00	\$ 660.00	\$ 11,168.00
Billing										
Repair and Maintenance						\$ 8,713.00	\$ 2,783.00	\$ 5,242.00	\$ 5,142.00	\$ 4,720.00
License and Permits						\$ 64.00	\$ 286.00			
Promotion										
Supplies										
Dues and Subscriptions										
Accounting Fees						\$ 6,336.00	\$ 735.00			
Testing										\$ 2,000.00
Transportation										


Mountain Sewer
Period: 1984 - 2011
Applicable Estimated Expense Ad


Income:	2004	2005	2006	2007	2008	2009	2010	2011
Connects	82	101	109	119	120	125	126	129
Number of Payments (Connects X 12 Months)	984	1,212	1,308	1,428	1,440	1,500	1,512	1,548
Sewer Rate	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Total Possible Income:	\$ 21,648.00	\$ 26,664.00	\$ 28,776.00	\$ 31,416.00	\$ 31,680.00	\$ 33,000.00	\$ 33,264.00	\$ 34,056.00
CPI	3.3%	3.4%	2.5%	4.1%	0.1%	2.7%	1.5%	3.0%
Expenses:								
Bank Service Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200.00
Bank Service Charge					\$ 336.00	\$ 998.00		
Clerical/Administration	\$ 5,937.42	\$ 6,027.83	\$ 6,119.63	\$ 6,212.82	\$ 6,307.43	\$ 6,403.49	\$ 6,501.00	\$ 6,600.00
Clerical/Administration	\$ 5,519.32	\$ 5,707.67	\$ 5,908.56	\$ 6,060.06	\$ 6,319.15	\$ 6,325.47	\$ 6,501.00	\$ 6,600.00
Engineering Fees	\$ 1,079.53	\$ 1,095.97	\$ 1,112.66	\$ 1,129.60	\$ 1,146.81	\$ 1,164.27	\$ 1,182.00	\$ 1,200.00
Engineering Fees	\$ 1,037.76	\$ 12,452.00	\$ 1,074.28	\$ 1,101.83	\$ 1,148.94	\$ 1,150.09	\$ 1,182.00	\$ 1,200.00
Insurance Expense	\$ 9,428.56	\$ 9,572.14	\$ 9,717.91	\$ 9,865.89	\$ 10,016.14	\$ 10,168.67	\$ 10,323.52	\$ 10,480.73
Insurance from ann reports	\$ 6,834.00	\$ 6,512.00	\$ 5,008.93	\$ 5,137.36	\$ 5,357.00	\$ 10,044.78	\$ 10,323.52	\$ 10,480.73
State Compliance / Jim Banks	\$ 6,000.00	\$ 6,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 5,000.00	\$ 2,000.00
Maintenance/Mitch Winegar	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00
Office Supplies	\$ 539.77	\$ 547.98	\$ 556.33	\$ 564.80	\$ 573.40	\$ 582.14	\$ 591.00	\$ 600.00
Office Supplies	\$ 647.00	\$ 956.00	\$ 887.00	\$ 550.91	\$ 574.47	\$ 575.04	\$ 591.00	\$ 600.00
Professional Fees - Standard	\$ 2,698.83	\$ 2,739.92	\$ 2,781.65	\$ 2,824.01	\$ 2,867.01	\$ 2,910.68	\$ 2,955.00	\$ 3,000.00
Professional Fees - Standard	\$ 2,508.78	\$ 2,594.40	\$ 2,685.71	\$ 2,754.57	\$ 2,872.34	\$ 2,875.22	\$ 2,955.00	\$ 3,000.00
Real Property Taxes	\$ 3,778.36	\$ 3,835.89	\$ 3,894.31	\$ 3,953.61	\$ 4,013.82	\$ 4,074.95	\$ 4,137.00	\$ 4,200.00
Real Property Taxes	\$ 3,512.29	\$ 3,632.15	\$ 3,759.99	\$ 3,856.40	\$ 4,021.28	\$ 4,025.30	\$ 4,137.00	\$ 4,200.00
Power	\$ 4,857.89	\$ 4,931.86	\$ 5,006.97	\$ 5,083.22	\$ 5,160.63	\$ 5,239.22	\$ 5,319.00	\$ 5,400.00
Power from ann reports	\$ 6,700.00	\$ 6,966.00	\$ 5,636.00	\$ 3,557.00	\$ 5,708.00	\$ 5,175.39	\$ 5,319.00	\$ 5,400.00
Telephone Expense	\$ 863.62	\$ 876.78	\$ 890.13	\$ 903.68	\$ 917.44	\$ 931.42	\$ 945.60	\$ 960.00
Telephone	\$ 802.81	\$ 830.21	\$ 859.43	\$ 881.46	\$ 919.15	\$ 920.07	\$ 945.60	\$ 960.00
Postage	\$ 809.65	\$ 821.98	\$ 834.49	\$ 847.20	\$ 860.10	\$ 873.20	\$ 886.50	\$ 900.00
Postage	\$ 752.63	\$ 778.32	\$ 805.71	\$ 826.37	\$ 861.70	\$ 862.56	\$ 886.50	\$ 900.00
Legal Fees	\$ 15,350.00							
Billing	\$ 647.00	\$ 651.00	\$ 716.00	\$ 1,280.00	\$ 1,139.00		\$ 2,225.00	
Repair and Maintenance	\$ 14,736.00	\$ 9,056.00	\$ 8,005.00	\$ 56,769.00	\$ 31,379.00	\$ 7,126.00		
License and Permits				\$ 126.00	\$ 139.00	\$ 178.00		
Promotion	\$ 2,733.00	\$ 3,215.00	\$ 3,577.00					
Supplies	\$ 2,551.00	\$ 5,848.00	\$ 2,725.00					
Dues and Subscriptions	\$ 2,314.00	\$ 2,435.00	\$ 231.00					
Accounting Fees								
Testing	\$ 2,325.00	\$ 2,713.00	\$ 175.00			\$ 1,670.00		
Transportation	\$ 155.00	\$ 450.00	\$ 515.00			\$ 225.00		


Mountain Sewer
Period: 1984 - 2011
Applicable Estimated Expense Adjustments of Mountain Sewer


 Traced to Affidavit provided by Jim Banks and Mitch Winegar.

 Amounts projected using CPI from Affidavit Amount.

 Used wrong formula for applying CPI to amounts originally provided by Mountain Sewer.

 Corrected formula for applying CPI to amounts originally provided by Mountain Sewer.

 Amounts added from Annual Reports. Because expense categories were not always consistent from year to year and because the Division wanted to error on the conservative side, the Division included these amounts for the specific year only and did not project them going forward or back.

 Amounts were added from the Annual Reports and projected back based on the CPI. These amounts appeared to be fairly consistent and typical from year to year.

Note: Amounts initially provided by Mountain Sewer as known and/or verifiable amounts do not have a

Source: Exhibits 1.1, 1.2 and 1.3.

Prepared by: DPU

Objective: Apply reasonable and verifiable amounts to further refine the accuracy of the estimated expenses incurred by Mountain Sewer.

Methodology: The Division brought forward appropriate amounts from Exhibits 1.1, 1.2 and 1.3 using its best judgment.

Conclusion: This schedule represents an estimation of Mountain Sewer's expenses based on the best information available to the Division.

Mountain Sewer
Period: 1984 - 2011
Projected Revenues (Not Including Connection Fees) VS Estimated Expenses

Year:	1984	1985	1986	1987	1988	1989	1990	1991
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Income:								
Connects	12	12	12	12	12	12	12	12
Number of Payments (Connects X 12 Months)	144	144	144	144	144	144	144	144
Sewer Rate	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Total Possible Income from Rates:	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00
CPI	3.9%	3.8%	1.1%	4.4%	4.4%	4.6%	6.1%	3.1%

Expenses:								
Bank Service Charge								
Clerical/Administration	\$ 2,972.09	\$ 3,092.71	\$ 3,214.87	\$ 3,250.63	\$ 3,400.24	\$ 3,556.74	\$ 3,728.23	\$ 3,970.43
Engineering Fees	595.16	619.31	643.77	650.93	680.89	712.23	746.57	795.07
Insurance	1,130.45	1,176.33	1,222.80	1,236.40	1,293.30	1,352.83	1,418.06	1,510.18
State Compliance / Jim Banks	5,397.65	5,479.85	5,563.30	5,648.02	5,734.03	5,821.35	5,910.00	6,000.00
Maintenance/Mitch Winegar	8,861.15	8,996.09	9,133.08	9,272.17	9,413.37	9,556.72	9,702.25	9,850.00
Office Supplies	321.87	334.94	348.17	352.04	368.24	385.19	403.76	429.99
Professional Fees - Standard	1,350.95	1,405.78	1,461.31	1,477.56	1,545.56	1,616.70	1,694.65	1,804.74
Real Property Taxes	1,891.33	1,968.09	2,045.83	2,068.58	2,163.79	2,263.38	2,372.51	2,526.64
Power from ann reports	3,740.40	3,892.20	4,045.95	4,090.95	4,279.23	4,476.19	4,692.02	4,996.82
Telephone	101.17	105.27	109.43	110.65	115.74	121.07	126.90	135.15
Postage	405.29	421.73	438.39	443.27	463.67	485.01	508.40	541.42
Legal Fees								
Billing								
Repair and Maintenance								
Bank Service Charge								
License and Permits								
Promotion								
Supplies								
Dues and Subscriptions								
Accounting Fees								
Testing								
Transportation								
Total Expenses	\$ (26,767.51)	\$ (27,492.29)	\$ (28,226.89)	\$ (28,601.18)	\$ (29,458.06)	\$ (30,347.39)	\$ (31,303.36)	\$ (32,560.45)

Net Income or (Loss)	\$ (23,599.51)	\$ (24,324.29)	\$ (25,058.89)	\$ (25,433.18)	\$ (26,290.06)	\$ (27,179.39)	\$ (28,135.36)	\$ (29,392.45)
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Accumulated Net Income or (Loss)	\$ (23,599.51)	\$ (47,923.79)	\$ (72,982.69)	\$ (98,415.87)	\$ (124,705.93)	\$ (151,885.32)	\$ (180,020.68)	\$ (209,413.13)
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Mountain Sewer
Period: 1984 - 2011
Projected Revenues (Not Including Conne

Year:	1992	1993	1994	1995	1996	1997	1998	1999
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Income:

Connects	13	15	16	16	19	20	21	22
Number of Payments (Connects X 12 Months)	168	180	192	192	228	240	252	264
Sewer Rate	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Total Possible Income from Rates:	\$ 3,696.00	\$ 3,960.00	\$ 4,224.00	\$ 4,224.00	\$ 5,016.00	\$ 5,280.00	\$ 5,544.00	\$ 5,808.00
CPI	2.9%	2.7%	2.7%	2.5%	3.3%	1.7%	1.6%	2.7%

Expenses:

Bank Service Charge								\$ 22.00
Clerical/Administration	\$ 4,097.45	\$ 4,219.83	\$ 4,336.92	\$ 4,457.27	\$ 4,571.56	\$ 4,727.57	\$ 4,809.33	\$ 4,887.53
Engineering Fees	820.51	845.02	868.46	892.56	915.45	946.69	963.06	84,498.00
Insurance	1,558.49	1,605.04	1,649.57	1,695.35	1,738.82	1,798.16	1,829.26	1,859.00
State Compliance / Jim Banks	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Maintenance/Mitch Winegar	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Office Supplies	443.75	457.00	469.68	482.72	495.09	511.99	520.84	529.31
Professional Fees - Standard	1,862.48	1,918.10	1,971.33	2,026.03	2,077.98	2,148.89	2,186.06	2,221.60
Real Property Taxes	2,607.47	2,685.34	2,759.86	2,836.44	2,909.17	3,008.45	3,060.48	3,110.24
Power from ann reports	5,156.68	5,310.69	5,458.06	5,609.52	5,753.35	5,949.69	6,052.58	6,151.00
Telephone	139.47	143.64	147.62	151.72	155.61	160.92	163.70	166.37
Postage	558.74	575.43	591.40	607.81	623.39	644.67	655.82	666.48
Legal Fees								1,940.00
Billing								
Repair and Maintenance								8,713.00
Bank Service Charge								22.00
License and Permits								64.00
Promotion								
Supplies								
Dues and Subscriptions								
Accounting Fees								6,336.00
Testing								
Transportation								
Total Expenses	\$ (33,245.04)	\$ (33,760.09)	\$ (34,252.92)	\$ (34,759.42)	\$ (35,240.43)	\$ (35,897.03)	\$ (36,241.13)	\$ (137,186.53)

Net Income or (Loss)	\$ (29,549.04)	\$ (29,800.09)	\$ (30,028.92)	\$ (30,535.42)	\$ (30,224.43)	\$ (30,617.03)	\$ (30,697.13)	\$ (131,378.53)
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Accumulated Net Income or (Loss)	\$ (238,962.17)	\$ (268,762.26)	\$ (298,791.18)	\$ (329,326.60)	\$ (359,551.03)	\$ (390,168.06)	\$ (420,865.19)	\$ (552,243.73)
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Mountain Sewer
Period: 1984 - 2011
Projected Revenues (Not Including Conne

Year:	2000	2001	2002	2003	2004	2005	2006	2007
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Income:

Connects	23	30	47	47	82	101	109	119
Number of Payments (Connects X 12 Months)	276	360	564	564	984	1,212	1,308	1,428
Sewer Rate	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Total Possible Income from Rates:	\$ 6,072.00	\$ 7,920.00	\$ 12,408.00	\$ 12,408.00	\$ 21,648.00	\$ 26,664.00	\$ 28,776.00	\$ 31,416.00

CPI	3.4%	1.6%	2.4%	1.9%	3.3%	3.4%	2.5%	4.1%
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Expenses:

Bank Service Charge	\$ 58.00	\$ 215.00	\$ 318.00					
Clerical/Administration	5,023.15	5,199.95	5,284.50	\$ 5,414.45	\$ 5,519.32	\$ 5,707.67	\$ 5,908.56	\$ 6,060.06
Engineering Fees	16,614.00	978.72	994.64	1,019.09	1,038.83	12,452.00	1,074.28	1,101.83
Insurance	2,241.00	3,043.00	2,910.00	6,354.00	6,834.00	6,512.00	5,008.93	5,137.36
State Compliance / Jim Banks	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	10,000.00	10,000.00
Maintenance/Mitch Winegar	10,000.00	10,000.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00
Office Supplies	544.00	77.00	125.00	20.00	647.00	956.00	887.00	550.91
Professional Fees - Standard	2,283.25	2,363.61	2,402.05	2,461.11	2,508.78	2,594.40	2,685.71	2,754.57
Real Property Taxes	3,196.55	3,309.06	3,362.87	3,445.56	3,512.29	3,632.15	3,759.99	3,856.40
Power from ann reports	5,743.00	9,949.00	9,701.00	6,551.00	6,700.00	6,966.00	5,636.00	3,557.00
Telephone	170.98	177.00	274.00	787.56	802.81	830.21	859.43	881.46
Postage	684.98	709.08	720.61	738.33	752.63	778.32	805.71	826.37
Legal Fees	-	920.00	660.00	11,168.00	15,350.00			
Billing					647.00	651.00	716.00	1,280.00
Repair and Maintenance	2,783.00	5,242.00	5,142.00	4,720.00	14,736.00	9,056.00	8,005.00	56,769.00
Bank Service Charge	58.00	215.00	318.00					
License and Permits	286.00							126.00
Promotion					2,733.00	3,215.00	3,577.00	
Supplies					2,551.00	5,848.00	2,725.00	
Dues and Subscriptions					2,314.00	2,435.00	231.00	
Accounting Fees	735.00							
Testing				2,000.00	2,325.00	2,713.00	175.00	
Transportation					155.00	450.00	515.00	
Total Expenses	\$ (56,420.91)	\$ (48,398.43)	\$ (83,212.67)	\$ (95,679.11)	\$ (120,126.67)	\$ (115,796.74)	\$ (97,569.62)	\$ (137,900.98)

Net Income or (Loss)	\$ (50,348.91)	\$ (40,478.43)	\$ (70,804.67)	\$ (83,271.11)	\$ (98,478.67)	\$ (89,132.74)	\$ (68,793.62)	\$ (106,484.98)
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Accumulated Net Income or (Loss)	\$ (602,592.64)	\$ (643,071.07)	\$ (713,875.74)	\$ (797,146.84)	\$ (895,625.51)	\$ (984,758.25)	\$ (1,053,551.87)	\$ (1,160,036.85)
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Mountain Sewer
Period: 1984 - 2011
Projected Revenues (Not Including Conne

Year:	2008	2009	2010	2011
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Income:				
Connects	120	125	126	129
Number of Payments (Connects X 12 Months)	1,440	1,500	1,512	1,548
Sewer Rate	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Total Possible Income from Rates:	\$ 31,680.00	\$ 33,000.00	\$ 33,264.00	\$ 34,056.00

CPI	0.1%	2.7%	1.5%	3.0%
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Expenses:				
Bank Service Charge	\$ 336.00	\$ 998.00		\$ 200.00
Clerical/Administration	6,319.15	6,325.47	6,501.00	6,600.00
Engineering Fees	1,148.94	1,150.09	1,182.00	1,200.00
Insurance	5,357.00	10,044.78	10,323.52	10,480.73
State Compliance / Jim Banks	10,000.00	10,000.00	5,000.00	2,000.00
Maintenance/Mitch Winegar	45,000.00	45,000.00	45,000.00	45,000.00
Office Supplies	574.47	575.04	591.00	600.00
Professional Fees - Standard	2,872.34	2,875.22	2,955.00	3,000.00
Real Property Taxes	4,021.28	4,025.30	4,137.00	4,200.00
Power from ann reports	5,708.00	5,175.39	5,319.00	5,400.00
Telephone	919.15	920.07	945.60	960.00
Postage	861.70	862.56	886.50	900.00
Legal Fees				
Billing	1,139.00		2,225.00	
Repair and Maintenance	31,379.00	7,126.00		
Bank Service Charge	336.00	998.00		
License and Permits	139.00	178.00		
Promotion				
Supplies				
Dues and Subscriptions				
Accounting Fees				
Testing		1,670.00		
Transportation		225.00		
Total Expenses	\$ (116,111.02)	\$ (98,148.92)	\$ (85,065.62)	\$ (80,540.73)

Net Income or (Loss)	\$ (84,431.02)	\$ (65,148.92)	\$ (51,801.62)	\$ (46,484.73)	\$ (52,306.90)
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Accumulated Net Income or (Loss) \$ (1,244,467.87) \$ (1,309,616.79) \$ (1,361,418.41) \$ (1,407,903.14)

Source: Exhibits 1.1, 1.2, 1.3, and 1.4.

Prepared by: DPU

Objective: Compare estimated revenues based on rates to estimated expenses based on the best information available to determine annual and accumulative net income or net losses.

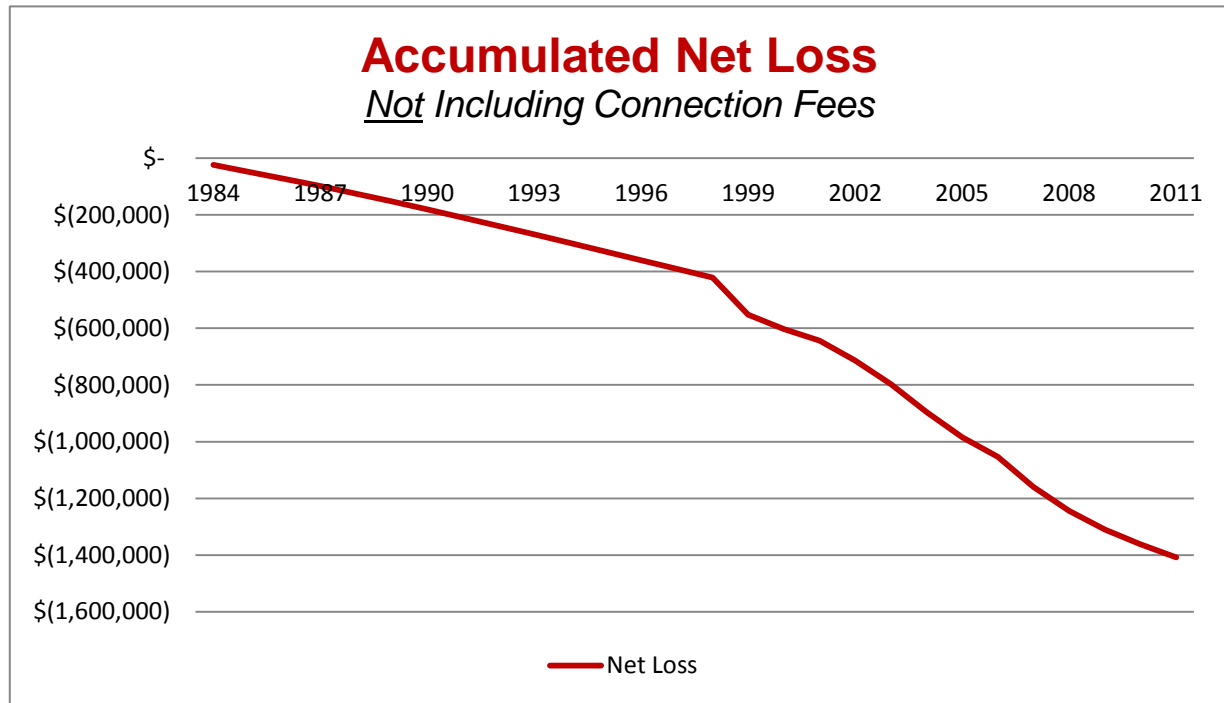
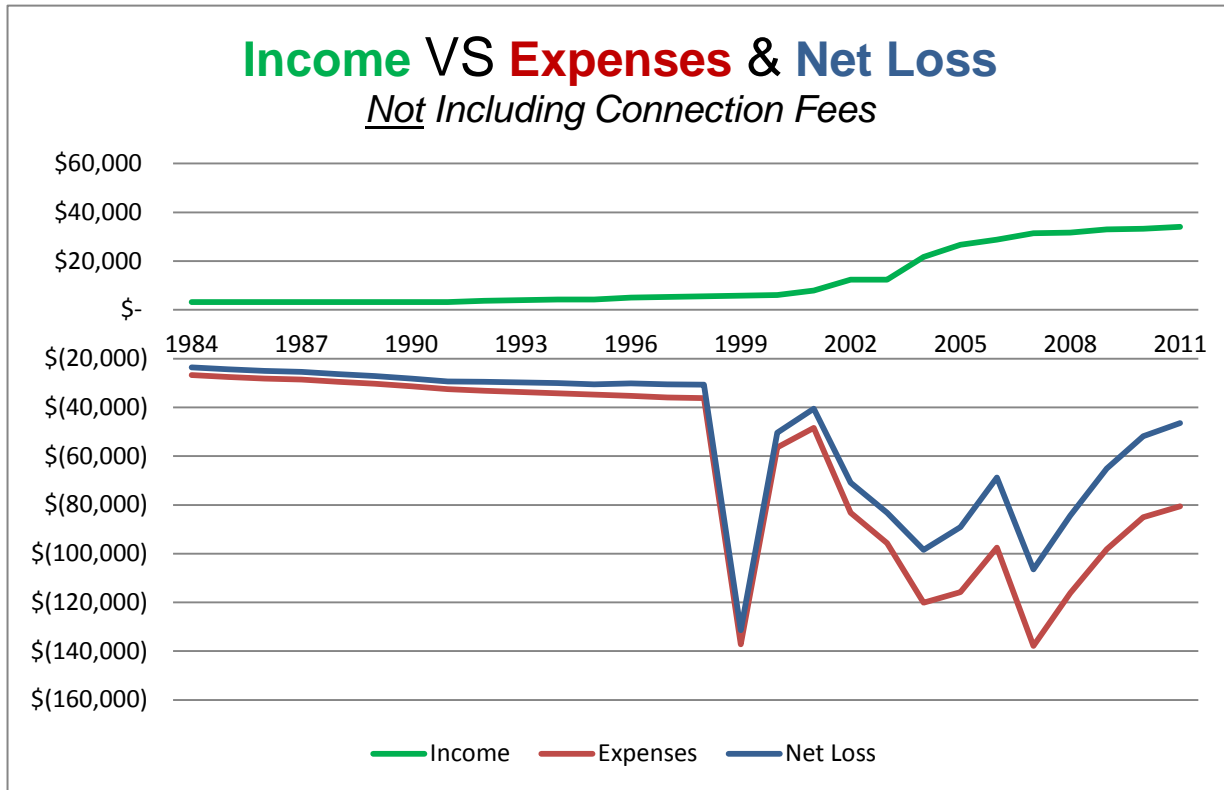
Methodology: The Division applied appropriate amounts and applicable adjustments from Exhibits 1.1, 1.2, 1.3, and 1.4

Conclusion: This exhibit shows that Mountain Sewer has an estimated accumulative Net Loss from 1984 through 2011 of over \$1.4 million. This schedule does not include connection fees since connection fees are a recovery of costs and not considered income.

See also: Graphical representation of the the results on the following page.

(Average Annual Net Loss
from 1986 to 2011)

Mountain Sewer
Period: 1984 - 2011
Projected Revenues (*Not Including Connection Fees*) VS Estimated Expenses



Mountain Sewer
Period: 1984 - 2011
Projected Revenues (Including Connection Fees) VS Estimated Expenses

Year:	1984	1985	1986	1987	1988	1989	1990	1991
Income:								
Connects	12	12	12	12	12	12	12	12
Number of Payments (Connects X 12 Months)	144	144	144	144	144	144	144	144
Sewer Rate	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Total Possible Income from Rates:	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00
Connection Fees	\$ 36,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income from Rates and Connection Fees	\$ 39,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00	\$ 3,168.00
CPI								
	3.9%	3.8%	1.1%	4.4%	4.4%	4.6%	6.1%	3.1%

Expenses:								
Bank Service Charge								
Clerical/Administration	\$ 2,972.09	\$ 3,092.71	\$ 3,214.87	\$ 3,250.63	\$ 3,400.24	\$ 3,556.74	\$ 3,728.23	\$ 3,970.43
Engineering Fees	595.16	619.31	643.77	650.93	680.89	712.23	746.57	795.07
Insurance	1,130.45	1,176.33	1,222.80	1,236.40	1,293.30	1,352.83	1,418.06	1,510.18
State Compliance / Jim Banks	5,397.65	5,479.85	5,563.30	5,648.02	5,734.03	5,821.35	5,910.00	6,000.00
Maintenance/Mitch Winegar	8,861.15	8,996.09	9,133.08	9,272.17	9,413.37	9,556.72	9,702.25	9,850.00
Office Supplies	321.87	334.94	348.17	352.04	368.24	385.19	403.76	429.99
Professional Fees - Standard	1,350.95	1,405.78	1,461.31	1,477.56	1,545.56	1,616.70	1,694.65	1,804.74
Real Property Taxes	1,891.33	1,968.09	2,045.83	2,068.58	2,163.79	2,263.38	2,372.51	2,526.64
Power from ann reports	3,740.40	3,892.20	4,045.95	4,090.95	4,279.23	4,476.19	4,692.02	4,996.82
Telephone	101.17	105.27	109.43	110.65	115.74	121.07	126.90	135.15
Postage	405.29	421.73	438.39	443.27	463.67	485.01	508.40	541.42
Legal Fees								
Billing								
Repair and Maintenance								
Bank Service Charge								
License and Permits								
Promotion								
Supplies								
Dues and Subscriptions								
Accounting Fees								
Testing								
Transportation								
Total Expenses	\$ (26,767.51)	\$ (27,492.29)	\$ (28,226.89)	\$ (28,601.18)	\$ (29,458.06)	\$ (30,347.39)	\$ (31,303.36)	\$ (32,560.45)

Net Income or (Loss)	\$ 12,400.49	\$ (24,324.29)	\$ (25,058.89)	\$ (25,433.18)	\$ (26,290.06)	\$ (27,179.39)	\$ (28,135.36)	\$ (29,392.45)
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Accumulated Net Income or (Loss)	\$ 12,400.49	\$ (11,923.79)	\$ (36,982.69)	\$ (62,415.87)	\$ (88,705.93)	\$ (115,885.32)	\$ (144,020.68)	\$ (173,413.13)
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Mountain Sewer
Period: 1984 - 2011
Projected Revenues (Including Connector)

Year:	1992	1993	1994	1995	1996	1997	1998	1999
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Income:								
Connects	13	15	16	16	19	20	21	22
Number of Payments (Connects X 12 Months)	168	180	192	192	228	240	252	264
Sewer Rate	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Total Possible Income from Rates:	\$ 3,696.00	\$ 3,960.00	\$ 4,224.00	\$ 4,224.00	\$ 5,016.00	\$ 5,280.00	\$ 5,544.00	\$ 5,808.00
Connection Fees	\$ 3,000.00	\$ 6,000.00	\$ 3,000.00	\$ -	\$ 9,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Income from Rates and Connection Fees	\$ 6,696.00	\$ 9,960.00	\$ 7,224.00	\$ 4,224.00	\$ 14,016.00	\$ 8,280.00	\$ 8,544.00	\$ 8,808.00

CPI	2.9%	2.7%	2.7%	2.5%	3.3%	1.7%	1.6%	2.7%
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Expenses:								
Bank Service Charge								\$ 22.00
Clerical/Administration	\$ 4,097.45	\$ 4,219.83	\$ 4,336.92	\$ 4,457.27	\$ 4,571.56	\$ 4,727.57	\$ 4,809.33	4,887.53
Engineering Fees	820.51	845.02	868.46	892.56	915.45	946.69	963.06	84,498.00
Insurance	1,558.49	1,605.04	1,649.57	1,695.35	1,738.82	1,798.16	1,829.26	1,859.00
State Compliance / Jim Banks	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Maintenance/Mitch Winegar	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Office Supplies	443.75	457.00	469.68	482.72	495.09	511.99	520.84	529.31
Professional Fees - Standard	1,862.48	1,918.10	1,971.33	2,026.03	2,077.98	2,148.89	2,186.06	2,221.60
Real Property Taxes	2,607.47	2,685.34	2,759.86	2,836.44	2,909.17	3,008.45	3,060.48	3,110.24
Power from ann reports	5,156.68	5,310.69	5,458.06	5,609.52	5,753.35	5,949.69	6,052.58	6,151.00
Telephone	139.47	143.64	147.62	151.72	155.61	160.92	163.70	166.37
Postage	558.74	575.43	591.40	607.81	623.39	644.67	655.82	666.48
Legal Fees								1,940.00
Billing								
Repair and Maintenance								8,713.00
Bank Service Charge								22.00
License and Permits								64.00
Promotion								
Supplies								
Dues and Subscriptions								
Accounting Fees								6,336.00
Testing								
Transportation								
Total Expenses	\$ (33,245.04)	\$ (33,760.09)	\$ (34,252.92)	\$ (34,759.42)	\$ (35,240.43)	\$ (35,897.03)	\$ (36,241.13)	\$ (137,186.53)

Net Income or (Loss)	\$ (26,549.04)	\$ (23,800.09)	\$ (27,028.92)	\$ (30,535.42)	\$ (21,224.43)	\$ (27,617.03)	\$ (27,697.13)	\$ (128,378.53)
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Accumulated Net Income or (Loss)	\$ (199,962.17)	\$ (223,762.26)	\$ (250,791.18)	\$ (281,326.60)	\$ (302,551.03)	\$ (330,168.06)	\$ (357,865.19)	\$ (486,243.73)
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Mountain Sewer
Period: 1984 - 2011
Projected Revenues (Including Connector)

Year:	2000	2001	2002	2003	2004	2005	2006	2007
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Income:								
Connects	23	30	47	47	82	101	109	119
Number of Payments (Connects X 12 Months)	276	360	564	564	984	1,212	1,308	1,428
Sewer Rate	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Total Possible Income from Rates:	\$ 6,072.00	\$ 7,920.00	\$ 12,408.00	\$ 12,408.00	\$ 21,648.00	\$ 26,664.00	\$ 28,776.00	\$ 31,416.00
Connection Fees	\$ 3,000.00	\$ 21,000.00	\$ 51,000.00	\$ -	\$ 105,000.00	\$ 57,000.00	\$ 24,000.00	\$ 30,000.00
Income from Rates and Connection Fees	\$ 9,072.00	\$ 28,920.00	\$ 63,408.00	\$ 12,408.00	\$ 126,648.00	\$ 83,664.00	\$ 52,776.00	\$ 61,416.00

CPI	3.4%	1.6%	2.4%	1.9%	3.3%	3.4%	2.5%	4.1%
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Expenses:								
Bank Service Charge	\$ 58.00	\$ 215.00	\$ 318.00					
Clerical/Administration	5,023.15	5,199.95	5,284.50	\$ 5,414.45	\$ 5,519.32	\$ 5,707.67	\$ 5,908.56	\$ 6,060.06
Engineering Fees	16,614.00	978.72	994.64	1,019.09	1,038.83	12,452.00	1,074.28	1,101.83
Insurance	2,241.00	3,043.00	2,910.00	6,354.00	6,834.00	6,512.00	5,008.93	5,137.36
State Compliance / Jim Banks	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	10,000.00	10,000.00
Maintenance/Mitch Winegar	10,000.00	10,000.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00
Office Supplies	544.00	77.00	125.00	20.00	647.00	956.00	887.00	550.91
Professional Fees - Standard	2,283.25	2,363.61	2,402.05	2,461.11	2,508.78	2,594.40	2,685.71	2,754.57
Real Property Taxes	3,196.55	3,309.06	3,362.87	3,445.56	3,512.29	3,632.15	3,759.99	3,856.40
Power from ann reports	5,743.00	9,949.00	9,701.00	6,551.00	6,700.00	6,966.00	5,636.00	3,557.00
Telephone	170.98	177.00	274.00	787.56	802.81	830.21	859.43	881.46
Postage	684.98	709.08	720.61	738.33	752.63	778.32	805.71	826.37
Legal Fees	-	920.00	660.00	11,168.00	15,350.00			
Billing					647.00	651.00	716.00	1,280.00
Repair and Maintenance	2,783.00	5,242.00	5,142.00	4,720.00	14,736.00	9,056.00	8,005.00	56,769.00
Bank Service Charge	58.00	215.00	318.00					
License and Permits	286.00							126.00
Promotion					2,733.00	3,215.00	3,577.00	
Supplies					2,551.00	5,848.00	2,725.00	
Dues and Subscriptions					2,314.00	2,435.00	231.00	
Accounting Fees	735.00							
Testing				2,000.00	2,325.00	2,713.00	175.00	
Transportation					155.00	450.00	515.00	
Total Expenses	\$ (56,420.91)	\$ (48,398.43)	\$ (83,212.67)	\$ (95,679.11)	\$ (120,126.67)	\$ (115,796.74)	\$ (97,569.62)	\$ (137,900.98)

Net Income or (Loss)	\$ (47,348.91)	\$ (19,478.43)	\$ (19,804.67)	\$ (83,271.11)	\$ 6,521.33	\$ (32,132.74)	\$ (44,793.62)	\$ (76,484.98)
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Accumulated Net Income or (Loss)	\$ (533,592.64)	\$ (553,071.07)	\$ (572,875.74)	\$ (656,146.84)	\$ (649,625.51)	\$ (681,758.25)	\$ (726,551.87)	\$ (803,036.85)
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Mountain Sewer
Period: 1984 - 2011
Projected Revenues (Including Connector)

Year:	2008	2009	2010	2011
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Income:				
Connects	120	125	126	129
Number of Payments (Connects X 12 Months)	1,440	1,500	1,512	1,548
Sewer Rate	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Total Possible Income from Rates:	\$ 31,680.00	\$ 33,000.00	\$ 33,264.00	\$ 34,056.00
Connection Fees	\$ 3,000.00	\$ 15,000.00	\$ 3,000.00	\$ 9,000.00
Income from Rates and Connection Fees	\$ 34,680.00	\$ 48,000.00	\$ 36,264.00	\$ 43,056.00

CPI	0.1%	2.7%	1.5%	3.0%
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Expenses:				
Bank Service Charge	\$ 336.00	\$ 998.00		\$ 200.00
Clerical/Administration	6,319.15	6,325.47	6,501.00	6,600.00
Engineering Fees	1,148.94	1,150.09	1,182.00	1,200.00
Insurance	5,357.00	10,044.78	10,323.52	10,480.73
State Compliance / Jim Banks	10,000.00	10,000.00	5,000.00	2,000.00
Maintenance/Mitch Winegar	45,000.00	45,000.00	45,000.00	45,000.00
Office Supplies	574.47	575.04	591.00	600.00
Professional Fees - Standard	2,872.34	2,875.22	2,955.00	3,000.00
Real Property Taxes	4,021.28	4,025.30	4,137.00	4,200.00
Power from ann reports	5,708.00	5,175.39	5,319.00	5,400.00
Telephone	919.15	920.07	945.60	960.00
Postage	861.70	862.56	886.50	900.00
Legal Fees				
Billing	1,139.00		2,225.00	
Repair and Maintenance	31,379.00	7,126.00		
Bank Service Charge	336.00	998.00		
License and Permits	139.00	178.00		
Promotion				
Supplies				
Dues and Subscriptions				
Accounting Fees				
Testing		1,670.00		
Transportation		225.00		
Total Expenses	\$ (116,111.02)	\$ (98,148.92)	\$ (85,065.62)	\$ (80,540.73)

Net Income or (Loss)	\$ (81,431.02)	\$ (50,148.92)	\$ (48,801.62)	\$ (37,484.73)	\$ (38,806.90)
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Accumulated Net Income or (Loss) \$ (884,467.87) \$ (934,616.79) \$ (983,418.41) \$ (1,020,903.14)

(Average Annual Net Loss
from 1986 to 2011)

Source: Exhibits 1.1, 1.2, 1.3, and 1.4.

Prepared by: DPU

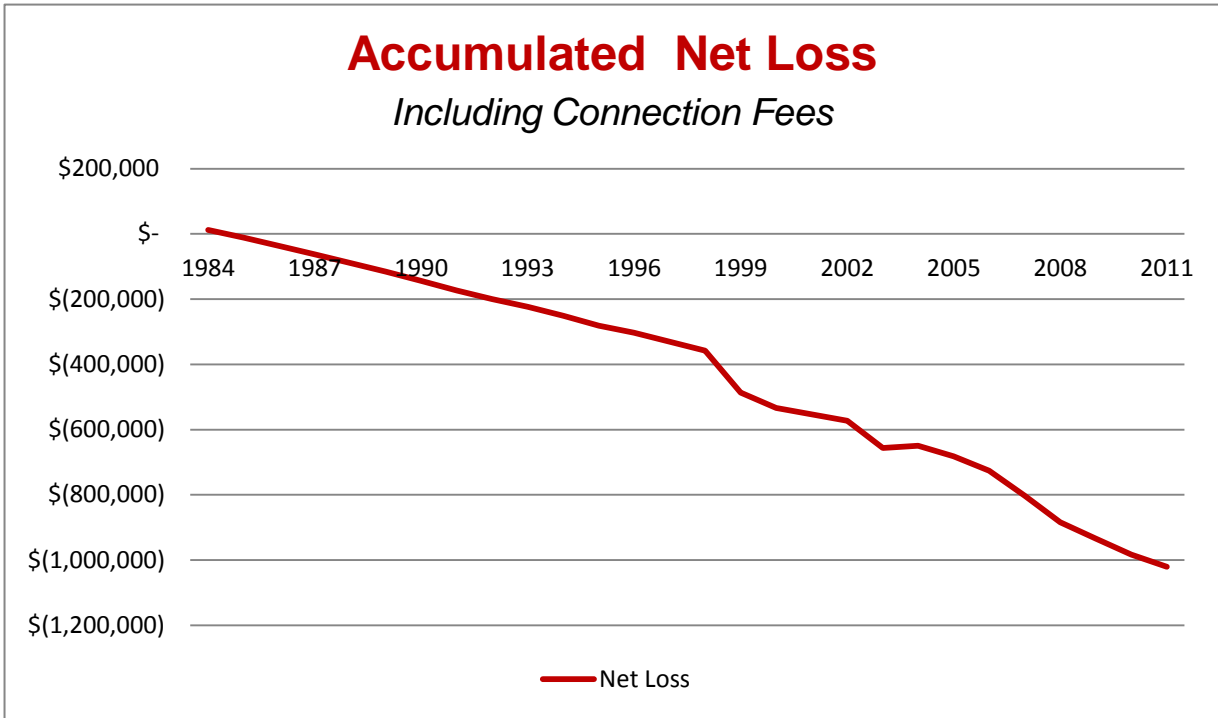
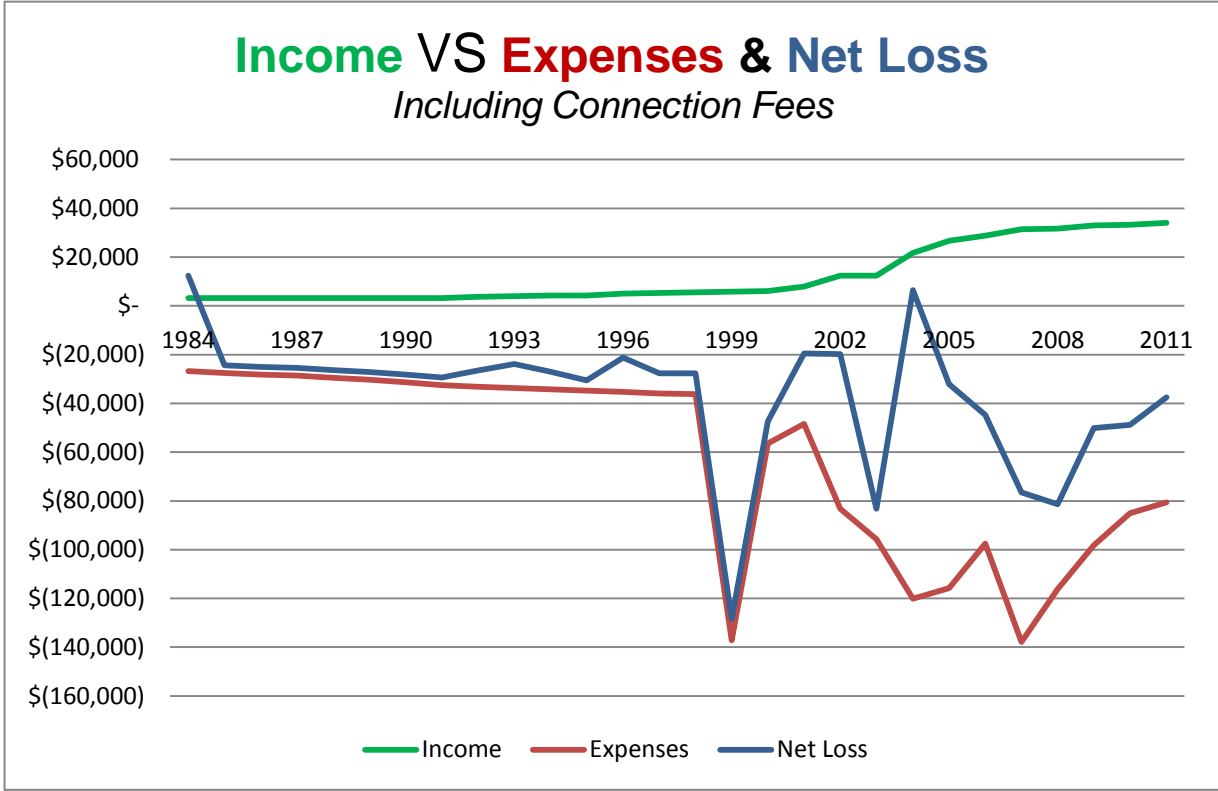
Objective: Compare estimated revenues based on rates to estimated expenses based on the best information available to determine annual and accumulative net income or net losses.

Methodology: The Division applied appropriate amounts and applicable adjustments from Exhibits 1.1, 1.2, 1.3, and 1.4. The Division also included connection fees as part of the revenue base, although connection fees are not income, but rather a recovery of the expenses incurred in making the connection.

Conclusion: This exhibit shows that Mountain Sewer has an estimated accumulative Net Loss from 1984 through 2011 of over \$1 million if connection fees are considered as part of the revenue base.

See also: Graphical representation of the results on the following page.

Mountain Sewer
 Period: 1984 - 2011
 Projected Revenues (Including Connection Fees) VS Estimated Expenses



Mountain Sewer
Period: 1984 - 2011
Summary of Estimated Revenues and Expenses

Does NOT Include Connection Fees From Schedule 1A				Includes Connection Fees From Schedule 1B				
Year	Revenue	Expense	Net Income or (Loss)	Year	Revenue	Connection Fees	Expense	Net Income or (Loss)
1984	\$ 3,168.00	\$ (26,767.51)	\$ (23,599.51)	1984	\$ 3,168.00	\$ 36,000.00	\$ (26,767.51)	\$ 12,400.49
1985	3,168.00	(27,492.29)	(24,324.29)	1985	3,168.00	-	(27,492.29)	(24,324.29)
1986	3,168.00	(28,226.89)	(25,058.89)	1986	3,168.00	-	(28,226.89)	(25,058.89)
1987	3,168.00	(28,601.18)	(25,433.18)	1987	3,168.00	-	(28,601.18)	(25,433.18)
1988	3,168.00	(29,458.06)	(26,290.06)	1988	3,168.00	-	(29,458.06)	(26,290.06)
1989	3,168.00	(30,347.39)	(27,179.39)	1989	3,168.00	-	(30,347.39)	(27,179.39)
1990	3,168.00	(31,303.36)	(28,135.36)	1990	3,168.00	-	(31,303.36)	(28,135.36)
1991	3,168.00	(32,560.45)	(29,392.45)	1991	3,168.00	-	(32,560.45)	(29,392.45)
1992	3,696.00	(33,245.04)	(29,549.04)	1992	3,696.00	3,000.00	(33,245.04)	(26,549.04)
1993	3,960.00	(33,760.09)	(29,800.09)	1993	3,960.00	6,000.00	(33,760.09)	(23,800.09)
1994	4,224.00	(34,252.92)	(30,028.92)	1994	4,224.00	3,000.00	(34,252.92)	(27,028.92)
1995	4,224.00	(34,759.42)	(30,535.42)	1995	4,224.00	-	(34,759.42)	(30,535.42)
1996	5,016.00	(35,240.43)	(30,224.43)	1996	5,016.00	9,000.00	(35,240.43)	(21,224.43)
1997	5,280.00	(35,897.03)	(30,617.03)	1997	5,280.00	3,000.00	(35,897.03)	(27,617.03)
1998	5,544.00	(36,241.13)	(30,697.13)	1998	5,544.00	3,000.00	(36,241.13)	(27,697.13)
1999	5,808.00	(137,186.53)	(131,378.53)	1999	5,808.00	3,000.00	(137,186.53)	(128,378.53)
2000	6,072.00	(56,420.91)	(50,348.91)	2000	6,072.00	3,000.00	(56,420.91)	(47,348.91)
2001	7,920.00	(48,398.43)	(40,478.43)	2001	7,920.00	21,000.00	(48,398.43)	(19,478.43)
2002	12,408.00	(83,212.67)	(70,804.67)	2002	12,408.00	51,000.00	(83,212.67)	(19,804.67)
2003	12,408.00	(95,679.11)	(83,271.11)	2003	12,408.00	-	(95,679.11)	(83,271.11)
2004	21,648.00	(120,126.67)	(98,478.67)	2004	21,648.00	105,000.00	(120,126.67)	6,521.33
2005	26,664.00	(115,796.74)	(89,132.74)	2005	26,664.00	57,000.00	(115,796.74)	(32,132.74)
2006	28,776.00	(97,569.62)	(68,793.62)	2006	28,776.00	24,000.00	(97,569.62)	(44,793.62)
2007	31,416.00	(137,900.98)	(106,484.98)	2007	31,416.00	30,000.00	(137,900.98)	(76,484.98)
2008	31,680.00	(116,111.02)	(84,431.02)	2008	31,680.00	3,000.00	(116,111.02)	(81,431.02)
2009	33,000.00	(98,148.92)	(65,148.92)	2009	33,000.00	15,000.00	(98,148.92)	(50,148.92)
2010	33,264.00	(85,065.62)	(51,801.62)	2010	33,264.00	3,000.00	(85,065.62)	(48,801.62)
2011	34,056.00	(80,540.73)	(46,484.73)	2011	34,056.00	9,000.00	(80,540.73)	(37,484.73)
Totals	\$ 342,408.00	\$ (1,750,311.14)	\$ (1,407,903.14)	Totals	\$ 342,408.00	\$ 387,000.00	\$ (1,750,311.14)	\$ (1,020,903.14)

Source: Exhibits 1.5 and 1.6.

Prepared by: DPU

Objective: To summarize the estimated expenses and projected revenues. Revenue amounts show both without and with connection fees included.

Conclusion: This exhibit shows that Mountain Sewer has an estimated accumulative Net Loss from 1984 through 2011 of over \$1.4 million if connection fees are not included in the revenue base and has an estimated accumulative Net Loss from 1984 through 2011 of over \$1 million if connection fees are considered as part of the revenue base.